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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

September 19, 2012

Eric Flippo  
Cornerstone Industries, Inc.  
117 Bernal Road #70-310  
San Jose, California 95119

Re: Permit Status, Anasazi Gold Reserves, Highland Mist Mine, S/021/0035, Iron County, Utah

Dear Mr. Flippo:

On November 16, 2010, the Division of Oil, Gas and Mining received an application to transfer the Notice of Intention to Commence Small Mining Operations (NOI) for the Highland Mist mine from Anasazi Gold Reserves, Inc., to AGR Minerals LLC. This transfer was denied based on two items:

1. The Division had received a Notice of Intention to Commence Large Mining Operations from Anasazi Gold Reserves, so approving the transfer and approving the large mine would have created overlapping permit areas. This creates many problems for both the Division and the operators.
2. The Division did not receive a reclamation surety from the transferee.

Another application was received April 13, 2012, to transfer the NOI from Anasazi Gold Reserves to Cornerstone Industries, Inc. While this application was complete, the Division has yet to receive a reclamation surety in the name of Cornerstone Industries and so has not approved the transfer.

For these reasons, the NOI is still in the name of Anasazi Gold Reserves, Inc., which is responsible for bonding, mining operations, and reclamation.

Please let Lynn Kunzler or me know if we can be of further assistance.

Sincerely,

Paul B. Baker  
Minerals Program Manager

PBB: eb

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